



LOYALTYTM

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MANAGEMENT

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Customer Satisfaction: Keeping Score Is Only the First Step

by Karl Sharicz, SimplexGrinnell

If you want to improve your customer relationships, you need to understand why customers rate you the way they do; and you need a systematic way to respond to their issues.

THE SCIENCE OF CUSTOMER SATISFACTION MANAGEMENT has come a long way in a short time. It seems like just a few years ago most companies were still gathering feedback with a few telephone surveys or an annual business reply card mailing. No one had heard of a “Net Promoter Score” (NPS) or an “Enterprise Feedback Management” (EFM) system.

Now that we have more sophisticated survey tools and powerful mechanisms for measuring and benchmarking customer feedback, it’s easy to become fixated on the scores themselves. All too often people know their satisfaction score or loyalty index—by department, by region, by product, or by vertical market—but they don’t have a clear sense of how they achieved those scores or, more importantly, how to improve those scores.

How do we get beyond mere measurement mentality and into actually moving the needle and improving customer relationships? That’s the challenge we’ve been working on in the Customer Intelligence Group at SimplexGrinnell, and I believe our results could provide valuable lessons and insights for other companies.

Eight Percent Improvement in 90 Days

SimplexGrinnell is a leader in the fire and life-safety industry and has over 150 offices throughout the United States. In our business, it is critical for us to measure and monitor customer satisfaction at every interaction—from technical phone support from corporate to field support

through our local district offices. We want to know our customers so well that we have the ability to provide a service before they even request it.

In 2004, we began an overhaul of our customer satisfaction (CSAT) program to get closer to the truth about our customers’ experiences. We wanted to measure and report on customer feedback in an open and

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honest way and establish consistent metrics so we could monitor our progress.

With the help of the MarketTools CustomerSat product and concepts from “The Loyalty Effect,” by Fred Reichheld, we focused on five key measurements, one of which is SimplexGrinnell’s “Net Customer Advocacy” or NCA, which subtracts detractors from advocates and provides a ranking on a five-point scale (it’s similar in concept to NPS). Using NCA gave us a con-

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sistent way to assess company performance, regional performance, and local office performance.

Our NCA scores and rankings based on customer surveys are accessible in real-time to every district and regional office by way of the MarketTools CustomerSat EFM solution. In early May 2009, one of our regional managers approached the Customer Intelligence Group to ask how they could improve their regional NCA score ranking. The real question revolved around determining root cause—knowing exactly what might be keeping their customers from becoming more loyal and stronger advocates.

The Customer Intelligence Group developed a plan to increase that region's NCA score, drawing on the capabilities of the MarketTools CustomerSat EFM solution. Specifically, the plan gave each district manager full access to the data, feedback, and analytical capabilities contained within the EFM, including customers' answers to open-ended questions about their satisfaction.

Collectively, this analysis led to insights that helped answer the crucial "why" questions in detail: if a customer was not entirely satisfied, why not? What exactly had gone amiss? Which issues weren't resolved according to expectations? Were there common themes among the detractors' comments? Were comments directed at specific products or services?

As a core element of the NCA improvement plan, the Customer Intelligence Group arranged and scheduled individual one-hour workshops for each of the district teams within the region. Attendance was required for the regional manager, the district general manager, and the technical support manager. Other stakeholders in the district were strongly encouraged to attend.

At the workshop, detailed survey findings extracted from the MarketTools CustomerSat database were delivered to the team. The presentation included:

- Customer ratings for each service touchpoint of the transaction
- The key drivers of customer satisfaction for each district

- The demographics of the customers randomly surveyed for each district office

- Verbatim customer comments

It is important to note that the customer commentaries were presented randomly and without identifying the organization or the customer who took the survey. This was done to keep the focus on the issues at hand rather than the individuals taking the survey.

At the conclusion of the initial workshop session, the Customer Intelligence Group scheduled a 90-day review session, with the understanding that each district would by then have implemented their action plan and be in a position to articulate how that plan led to changes noted in their NCA scores.

At the 90-day review session, it was discovered that this region—through the actionable intelligence provided by the Customer Intelligence Group coupled with a concerted focus on customer service—had improved its NCA score a full eight percent, thereby achieving their primary goal. Interestingly, during the same period, other regions' NCA scores changed by an average of one percent, a clear indication that the improvement resulted from the workshop and subsequent action plan implementation.

Moreover, as the experiment continued so did the increase in NCA scores. At the 180-day review session, the region surpassed the 10 percent improvement point; and the most recent quarterly snapshot of NCA performance by region suggests that this region has made significant progress toward being in the top position among all regions for NCA. This is truly a remarkable and commendable achievement.

We're now finding that any skepticism that might have existed in regard to our NCA rankings and our EFM system have been transformed to enthusiastic acceptance—from senior management to technical specialists and operations personnel. We've seen that people appreciate having hard data to show them how to improve, what to improve, and where to focus.

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Best Practices from Lessons Learned

The actions taken by each district within the region varied according to their unique customer satisfaction drivers, but in general terms here are just a few of the practices that led to NCA score improvement:

- All key service personnel were encouraged to read the verbatim customer comments stored in the MarketTools CustomerSat system.
- Senior management within the district used the data to understand the experiences of customers more completely so that they could engage with them more directly.
- As a result of the data, more emphasis was placed on returning customer calls and calling customers in advance of service visits.
- Individual employees were recognized for service excellence through “top 10” and “kudos alert” notifications generated by the MarketTools CustomerSat system.
- A concerted effort was made to achieve a first-visit fix.
- The frequency of customer visits, especially by district managers, was increased.
- Achieving faster service recovery was made a higher priority.
- Employees were empowered to resolve certain issues directly with the customer without the need for management intervention.
- Customer feedback and customer issues were added to the forefront of all service team meetings within the district.

Be Prepared to Respond to Feedback

The MarketTools CustomerSat EFM system used at SimplexGrinnell now handles more than 10,000 surveys and other forms of customer feedback each year and stores more than 35,000 verbatim customer commentaries. Seeing the results achieved by one region, other regions have become more interested in the improvement process and the capabilities of the system. But as we’ve expanded our customer satisfaction program, we’ve always kept one key concept in mind: if you ask customers for feedback, you have to be ready to respond to what they tell you.

That is why the Customer Intelligence Group has focused on developing and implementing consistent processes for managing customer issues on a global basis. We strive to act not just as an escalation channel for customer problems but as a clearinghouse for all activities related to customer relationships.

In the words of our company president, Jim Spicer, “Customer satisfaction is not simply a program here; it’s part of who we are—it’s ingrained into the fabric of our company.”

We know that the quality of the customer experience is the true differentiator for SimplexGrinnell, not just the quality of our products and services. So for us, it was important not only to accurately measure the quality of our customer relationships, but to take action to improve those metrics. MarketTools CustomerSat has played an integral role in our ability to do that. Today we have a platform in place that allows us to be much more proactive in anticipating and responding to customer needs—so we can consistently deliver offerings that exceed customer expectations. **L**

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	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
ur agreement with	5	4	3	2	1
in	5	4	3	2	1
	5	4	3	2	1
my needs.	5	4	3	2	1
	5	4	3	2	1
			3	2	